

2nd November, 2023

TL2023/1102/1A

Principal Secretary to Caretaker PM,
PM House,
Islamabad.

Sub: Complaint on the Violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation.

Dear Sir,

Transparency International Pakistan refers to its letter No. TL2023/1002/1A dated 02 October 2023 on complaint on the violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation (Annex-A).

TI Pakistan had pointed out serious allegations against violation of Pakistan Petroleum (E&P) Rules 2001 and OGRA License by M/s Konnect Gas (Pvt) Ltd for its illegal activities of providing unprocessed gas to CNG stations posing threat to the lives of citizens. On TI Pakistan's letter, the Prime Minister of Pakistan took notice of the complaint and the PM Office on 16-10-2023 directed the Petroleum Division to furnish comments regarding TIP complaint at the earliest (Annex-B).

OGRA had written a letter to M/s Spud Energy on 06/10/2023 and intimated that M/s Konnect Gas is not a licensee of OGRA to undertake any regulated activity and that M/s Spud Energy is required to furnish comments within 14 days (Annex-C).

Transparency International Pakistan has received another complaint against M/s Jura Energy Corporation subsidiaries namely M/s SPUD Energy PVT Ltd and Konnect Gas Pvt. Ltd regarding violation of rules and regulations (Annex-D).

The complainant has made the following allegations.

That;

1. The Sara Suri leases had expired in February 2020. Despite the expiration of the leases, M/s Spud Energy initiated operations and continues to operate within the expired leases.
2. During the operation of the expired leases, M/s Spud Energy engaged in the unlawful sale of unprocessed gas to the unlicensed entity, Konnect Gas, whereby OGRA vide letter No. OGRA-6(1) – KGL/2019 dated September 08, 2023 had explicitly stated that Konnect Gas has never been granted a license from OGRA to transport and sell natural gas (Annex-E).
3. OGDCL, a Joint Venture Partner in the Sara Suri JV, has already suspended gas sales to Konnect Gas in lieu of the expired lease and violation of regulatory and contractual obligations by M/s Spud Energy.
4. The parent company, Jura Energy Corporation has publicly acknowledged that M/s Spud Energy engaged in illegal gas sales from the Sara Suri Leases to the unlicensed entity, Konnect Gas, as evidenced by their own publication (Annex-F).



Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct and are self-explanatory.

Following are TI Pakistan comments:

1. The culpability of malpractice and illegal activity by M/s SPUD and the parent company M/s Jura Energy Corporation for its illegal activities to sale gas to an unlicensed entity and providing unprocessed gas to CNG stations posing threat to the lives of citizens, require stern action by the Government of Pakistan under relevant laws and regulatory framework.
2. On 16th December 2022, Transparency International Pakistan received another complaint against M/s SPUD Energy and M/s Frontier Holdings, subsidiaries of Jura Corporation for deliberately defaulting on their financial obligations, failing to pay approximately PKR 1.13 billion in outstanding royalties, which accounts for 12.5% of the proceeds from the sale of natural gas and crude oil from various fields.
3. On TI Pakistan letter, the Prime Minister took action and the the Ministry of Energy (Petroleum Division) successfully recovered an amount of PKR 1.13 billion from M/s SPUD and M/s Frontier and deposited in national exchequer (**Annex-G**)
4. It appears that M/s Spud Energy and Konnect Gas from 2020 onwards have engaged in violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002.

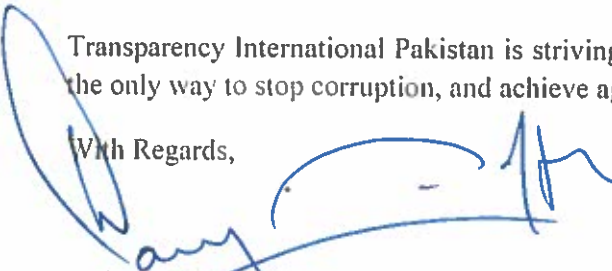
Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Caretaker Prime Minister of Pakistan to look into the allegations of the complaint, and if found correct, ensure all the requisite measures are taken by the Federal Government to take appropriate action against Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation, posing direct threat to the lives of the citizens.

The new allegations that the parent company, Jura Energy, has publicly acknowledged that Spud Energy engaged in illegal gas sales from the Sara Suri Leases to the unlicensed entity, and that M/s Spud Energy has despite the expiration of the Sara Suri leases, continues to operate within the expired leases, must be investigated under relevant laws and regulatory frameworks.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption

With Regards,


(Advocate Daniyal Muzaffar)
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Principal Secretary to PM, PM House, Islamabad
2. Minister. Ministry of Energy, Islamabad
3. DG Petroleum Concessions, Ministry of Petroleum, Islamabad
4. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
5. Chairman, NAB, Islamabad
6. Registrar, Supreme Court of Islamabad, Islamabad.



Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”

2nd October, 2023

TL2023/1002/1A

Director General Petroleum Concessions,
Directorate General Petroleum Concessions,
Ministry of Energy (Petroleum Division),
Islamabad.

Sub: Complaint on the Violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation

Dear Sir,

Transparency International Pakistan has received a Complaint on the Violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation (Annex-A).

The complainant has made the following allegations:

That;

1. M/s Konnect Gas (Pvt.), a subsidiary of M/s Jura Energy Corporation, is an unlicensed entity which is providing unprocessed gas to CNG stations posing threat to the lives of citizens.
2. In 2020, M/s Jura Energy Corporation publicly announced through a press release (Annex-B) the commencement of gas sales from the Sara Suri Leases to M/s Konnect Gas under the guise of a third-party arrangement. The website of Jura Energy also reflects M/s Konnect Gas as the buyer to the Sara Suri Fields (Annex-C).
3. M/s Konnect Gas knowingly and willfully have engaged in the unlawful sale of unprocessed gas since 2020.
4. In April 2019, M/s Konnect Gas submitted its license application to OGRA which OGRA unequivocally rejected in April of 2022 due to M/s Konnect Gas's failure to meet the stipulated criteria (Annex-D).
5. However, despite OGRA's rejection of M/s Konnect Gas application for license, the company has been illegally supplying unprocessed gas to CNG stations.
6. Jura Corporation's subsidiaries, Spud Energy Pvt Ltd, Frontier Holdings Ltd have already been declared Defaulters by the Ministry of Energy – Directorate General Petroleum Concessions (DGPC).

Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct.

Following are TI Pakistan comments:

1. On 16th December 2022, Transparency International Pakistan received another complaint against M/s SPUD Energy and M/s Frontier Holdings, subsidiaries of Jura Corporation for deliberately defaulting on their financial obligations, failing to pay approximately PKR 1.13 billion in outstanding royalties, which accounts for 12.5% of the proceeds from the sale of natural gas and crude oil from various fields.



2. On TI Pakistan letter, the Prime Minister took action and the the Ministry of Energy (Petroleum Division) successfully recovered an amount of PKR 1.13 billion from M/s SPUD and M/s Frontier and deposited in national exchequer (Annex-E)
3. On September 08, 2023, OGRA vide its letter No. OGRA-6(1)-KGL/2019 has clarified that due to constant failure by M/s Konnect Gas to submit requisite data/information for 2.5 years, the authority rejected the application of M/s Konnect Gas (Pvt.) Ltd on 15-04-2022 and that the company is not a Licenses of OGRA to undertake any regulated activities (Annex-F)

Transparency International Pakistan Recommendations

Transparency International Pakistan requests Director General Petroleum Concessions to kindly look into the allegations of the complaint, and if it is found to be correct, take action against M/s Konnect Gas (Pvt) Ltd for its illegal activities of providing unprocessed gas to CNG stations posing threat to the lives of citizens, under applicable laws and rules.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve Zero tolerance against corruption.

With Regards,


(Advocate Daniyal Muzaffar)
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Principal Secretary to PM, PM House, Islamabad
2. Minister, Ministry of Energy, Islamabad
3. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
4. Chairman, NAB, Islamabad
5. Registrar, Supreme Court of Islamabad, Islamabad.

Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of Ataulah Malik v. Federation of Pakistan includes following order.

Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable. PLD 2010 Lahore 605.



HOUSE OF MAGNA CUM LAUDE

Barristers & Masters at Law

To,

21.09.2023

Director General Petroleum Concessions,
Directorate General Petroleum Concessions,
Ministry of Energy (Petroleum Division),
Pak Secretariat, Block-A,
3rd Floor, Islamabad

Subject: Complaint Regarding Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation – Spud Energy Pty Ltd, Frontier Holdings Ltd and Konnect Gas Pvt Ltd

Dear Sir,

This is with reference and in continuation to our previous complaint dated 12/09/2023 regarding the illegal and unprocessed third-party gas sale by Konnect Gas (Pvt) Ltd, a subsidiary of Jura Energy Corporation. We represent our Client, an interested party (hereinafter referred to as the "Complainant"), and present this letter to reinforce and authenticate the serious concerns and violations pertaining to the illicit activities of Jura Energy Corporation's subsidiaries, Spud Energy Pty Ltd/Frontier Holdings Ltd and Konnect Gas (Pvt) Ltd. We also understand that Spud Energy and Frontier Holdings have already been declared Defaulters by the Ministry of Energy – Directorate General Petroleum Concessions (DGPC).

We immediately request intervention to put an end to these acute violations and to safeguard public safety as the seriousness of the offenses cannot be overstated. The illegal sale of unprocessed gas by an unlicensed entity to CNG stations and subsequently directly to end-consumers poses an imminent threat to the lives and well-being of the citizens of Pakistan, in blatant breach of established legal and regulatory provisions.

We would like to bring to your kind attention that in 2020 Jura Energy Corporation publicly announced, through a press release (attached hereto as Annex-1), the commencement of gas sales from the Sara Suri Leases to Konnect Gas under the guise of a third-party arrangement. The website of Jura Energy also reflects Konnect Gas as the Buyer to the Sara Suri Fields (attached hereto as Annex-2). Notably, there is no evidence to suggest that Spud Energy obtained the requisite approvals from the competent regulatory body for such gas allocation. Such an act clearly violates the regulatory frameworks in place and immediately requires a probe and enquiry into the arrangement made under the pretense of third-party gas sale.

More significantly, it has come to light that both Spud Energy and Konnect Gas knowingly and willfully have engaged in the unlawful sale of unprocessed gas since 2020, well aware that Konnect Gas has never been granted the necessary license for regulated activities involving the transportation and sale of natural gas by the Oil and Gas Regulatory Authority (OGRA). Konnect Gas submitted its license application to OGRA in April of 2019. However, OGRA unequivocally rejected the application in April of 2022 due to Konnect Gas's failure to meet the stipulated criteria. These facts are explicitly referenced in OGRA's letter No. OGRA-6(1)-KGL/2019 dated September 08, 2023 (attached hereto as Annex-3).



It is crucial to underline that Spud Energy has been illegally selling unprocessed gas since mid of 2020 and continues to do so till date. Alarmingly, the gas is being illegally sold to an unlicensed entity, Konnect Gas.

We firmly demand an immediate and thorough investigation and intervention to hold the offender accountable and to ensure that the offender does not continue or repeat these unlawful activities, thereby safeguarding the interests of all entities compliant with applicable laws, more importantly the lives of the populace and the environment in Pakistan.

It is requested of the DGPC to take action against the operator for violation of conditions as per License/PCA/Rule provisions and serve a show cause notice under the Clause-69 (a) of the Pakistan Petroleum (E & P) Rules, 2001.

Thank you for your prompt attention to this matter. We expect your urgent action and a comprehensive response to address this critical issue.

Sincerely,


Barrister Shahrukh Iftikhar
Managing & Founding Partner
House of Magna Cum Laude

Copy to:

Mr. Muhammad Ali
Minister of Energy (Petroleum Division)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Momin Agha
Secretary
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Abrar Ahmed Mirza
Additional Secretary Petroleum (Policy)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Hassan Yousafzai
Additional Secretary Petroleum (Admin)
3rd Floor, A block Pak Secretariat
Islamabad

Capt (R) Shahbaz Tahir Nadeem
Joint Secretary (I/JV)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Abdul Rasheed Jokhio
Director General Gas
1st Floor, Petroleum House, Ataturk Avenue, Sector
G-5/2
Islamabad

Mr. Masroor Khan
Chairman OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Zain-ul-Abideen Qureshi
Member Gas - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Shahzad Iqbal
Senior Executive Director (Gas) – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Akif Saeed
Chairman SECP
SECP Head office, NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad

Transparency International
4-C, Mezzanine Floor, Khayaban-e-Ittehad, Phase 7,
DHA,
Karachi

Commencement of Production from Sara and Suri Leases and Settlement of Debentures

CALGARY, Alberta, Oct. 13, 2020 – Jura Energy Corporation ("Jura" or the "Company") announced today that commercial production has commenced from the Sara and Suri leases under a third party sale arrangement. The current production from the fields is approximately 0.25 MMcf/d (net to Jura 0.15 MMcf/d) which is expected to be gradually enhanced to approximately 1 MMcf/d (net to Jura 0.60 MMcf/d).

The gas production from the Sara and Suri leases is being sold to Konnect Gas (Private) Limited ("KGL") pursuant to the terms of a previously-announced Gas Sale and Purchase Agreement ("GSA") between Jura's wholly-owned subsidiary Spud Energy Pty Limited and KGL, and is entitled to a gas price of US\$ 2.15/MMBtu. Jura's principal shareholder, JS Energy Limited, holds 50,659,076 of Jura's common shares, representing a 73.3% shareholding. JS Energy Limited and KGL have the same ultimate controlling shareholder, making Jura and KGL affiliates. The GSA was awarded to KGL after a public tender process, pursuant to the process required by the Government of Pakistan, and the terms of the GSA were approved by the independent directors of Jura.

The Sara and Suri leases cover an area of approximately 106.54 square kilometres and are located in the Ghotki district, in the Sindh Province of Pakistan.

Jura is the operator of the Sara and Suri leases with a 60% working interest.

Jura also announced today that it has successfully completed the settlement of its US\$ 3.5 million debentures pursuant to a notice of redemption issued in accordance with the terms of the Debentures Indenture.

About Jura Energy Corporation

Jura is an international energy company engaged in the exploration, development and production of petroleum and natural gas properties in Pakistan. Jura is based in Calgary, Alberta, and listed on the TSX-V trading under the symbol JEC. Jura conducts its business in Pakistan through its subsidiaries, Frontier Holdings Limited and Spud Energy Pty Limited.

Forward Looking Advisory

This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. The words "will", "approximately", and similar expressions are used to identify forward looking information. Specific forward-looking statements in this press release include information concerning the production rates from the Sara and Suri leases.

The forward-looking statements contained in this press release are based on management's beliefs, estimates and opinions on the date the statements are made in light of management's experience, current conditions and expected future development in the areas in which Jura is currently active and other factors management believes are appropriate in the circumstances. Jura undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless required by applicable law.

Readers are cautioned not to place undue reliance on forward-looking information. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties that contribute to the possibility that the predicted outcome will not occur, including some of which are beyond Jura's control. These assumptions and risks include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in exploration, development and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the imprecision of resource and reserve estimates, assumptions regarding the timing and costs relating to production and development as well as the availability and price of labour and equipment, weather, volatility of and assumptions regarding commodity prices and exchange rates, marketing and transportation risks, environmental risks, the ability to access sufficient capital from internal and external sources, changes in applicable law, and risks resulting from the global COVID-19 pandemic and its effects on general economic conditions and public markets, Jura's business, and the ability of Jura to prepare and approve required filings in a timely manner. Additionally, there are economic, political, social and other risks inherent in carrying on business in Pakistan. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. See Jura's Annual Information Form for the year ended December 31, 2019, available on SEDAR at www.sedar.com, for further description of the risks and uncertainties associated with Jura's business.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mr. Nadeem Farooq, CEO
 Tel: +92 51 2270702-5
 Fax: +92 51 227 0701
 Website: www.juraenergy.com
 E-Mail: info@juraenergy.com



Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

PM takes notice of un-authorized third-party gas sale by Konnect Gas

By

TOP NEWS UPDATES

October 23, 2023

Ahmad Ahmadani



ISLAMABAD: Caretaker Prime Minister Anwar ul Haq Kakar has taken notice on the complaint of Transparency International Pakistan (TIP) regarding unauthorized third-party gas sale by Konnect Gas (Private) Limited to the Compressed Natural Gas (CNG) stations.

Prime Minister has taken notice of the complaint of TIP on the violation of Pakistan Petroleum Rules (E&P) Rules, 2001 and Natural Gas Regulatory (Licensing) Rules, 2002 due to unauthorized third-party gas sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation and PM's Office on 16-10-2023 has directed the Petroleum Division to furnish comments regarding TIP complaint at the earliest.

It is relevant to note here that Transparency International Pakistan (TIP), in a letter dated October 2, 2023, titled "Complaint on the Violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 Due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation," to Director General (DG) Petroleum

Annex-B & C

Concession (PC), Ministry of Energy (Petroleum Division), requested to look into the allegations of the complaint and if found to be correct, take action against M/s Konnect Gas (Pvt.) Ltd for its illegal activities of providing unprocessed gas to CNG stations posing threat to the lives of citizens under applicable laws and rules.

Earlier, Petroleum Division's Director General Petroleum Concessions (DGPC), in a notice under Rule 68 (a) of Petroleum (Exploration and Production) Rules 1986 for illegal sale of natural gas by M/s Spud Energy Pty Ltd. from the Sara and Suri D&PLS to the unlicensed entity M/s Konnect Gas Pvt. Ltd dated 13th October 2023 to Chief Executive Officer (CEO), Spud Energy Pty Limited, has asked to explain within 60 days from the issuance of this notice to remedy the breach, or where the breach is not capable of being remedied, offer reasonable compensation within 60 days. If Spud Energy fails to satisfy the Authority within 60 days, the office of SGPC will initiate action against the company in accordance with applicable PCA/Rules, said a notice of DGPC to Chief Executive Officer (CEO), Spud Energy Pty Ltd.

The DGPC, in its notice, said that House of Magna Cum Laude (HoMCL) has written a letter to OGRA on 18/08/2023 inquiring about the OGRA license of M/s Konnect Gas Pvt. Ltd (KGPL) to undertake the regulated activity of gas sale. And, OGRA vide its letter No. OGRA-6(1)-KGL/2019 dated 08/09/2023 responded to HoMCL intimating that M/s KGPL failed to secure a license under the NGRA Rules, 2000 and stated that M/s KGPL is not a licensee of OGRA to undertake the regulated activities.

According to DGPC notice to CEO of SEPL, HoMCL filed a complaint against M/s SEPL and M/s KGPL on 12/09/2023 with the office of DGPC, requesting to inquire into the matter of the illegal sale of natural gas by M/s SEPL to M/s KGPL.

HoMCL submitted further grievances in continuation of its complaint vide its letter dated 21/09/2023 to the office of DGPC. Wherein, it was intimated that M/s Konnect Gas is not a licensee of OGRA, that M/s Spud Energy has been illegally selling unprocessed gas to M/s Konnect Gas since year 2020, and that M/s Konnect Gas is further selling the unprocessed gas to CNG stations/end consumers, posing direct threat to the lives of the people.

HoMCL, in another letter dated 26/09/2023 to OGRA, intimated that the unprocessed gas is being sold by M/s Konnect Gas to CNG stations in Sukkur (Sindh).

It is also learnt from DGPC notice to CEO, SEPL that Transparency International filed a complaint against M/s Spud Energy and M/s Konnect Gas on illegal sale of natural gas on 02/10/2023 to the office of DGPC. Wherein, it was intimated that M/s Spud Energy has been selling unprocessed gas to M/s Konnect Gas, and that M/s Konnect Gas is selling unprocessed gas to CNG stations/end-consumers, posing direct threat to the lives of the citizens.

The DGPC notice further discloses that OGRA had written a letter to M/s Spud Energy on 06/10/2023 and intimated that M/s Konnect Gas is not a licensee of OGRA to undertake any regulated activity and that M/s Spud Energy is required to furnish comments within 14 days.

It is worth mentioning here that M/s Spud Energy (SEPL) is 60 percent working interest owner and operator in the Sara & Suri Development and Production Leases.



To,

19/10/2023

Mr. Masroor Khan
Chairman OGRA
Oil and Gas Regulatory Authority
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Subject: **COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE BY KONNECT GAS (PRIVATE) LIMITED, A SUBSIDIARY OF JURA ENERGY CORPORATION - SPUD ENERGY PTY LTD, FRONTIER HOLDINGS LTD AND KONNECT GAS PVT LTD**

Dear Sir,

We understand that a letter dated October 11, 2023 has been written by Spud Energy to your esteemed office in response to your letter No. OGRA-9(518)/2019 dated October 6, 2023. With reference to Spud Energy's letter and the subject at hand, it is worth noting that Spud Energy has completely denied the allegations against them, despite the presence of undeniable and irrefutable evidence and has attempted to misdirect and divert attention away from the illegal gas sale from the Sara Suri Leases to Konnect Gas.

The deflection and deceptive comments by Spud Energy reflect a concerning lack of credibility and integrity. It is crucial to emphasize that the parent company, Jura Energy, has publicly acknowledged/admitted that Spud Energy engaged in illegal gas sales from the Sara Suri Leases to the unlicensed entity, Konnect Gas, as evidenced by their own publications:

1. **Jura Energy Corp - Management Discussion and Analysis** for the year ended on Dec 31, 2022 and 2021* (Information Published by Jura Energy as of May, 2023) – (Annex-1)
 - a. "Pursuant to the competitive bidding process, the JV Partners approved the sale of gas from Sara and Suri leases to Konnect Gas (Pvt) Limited ("KGPL"), an affiliate of SEPL (*Spud Energy*)."
 - b. "Production from Sara and Suri leases under a third-party sale arrangement commenced on **October 16, 2020**."
 - c. "... OGDCL instructed the operator to suspend supply of gas to the buyer effective **March 1, 2021**."
 - d. "The production from Sara and Suri Leases resumed on **January 25, 2022**."
 - e. "Sara and Suri Leases expired on **February 29, 2020**. ... SEPL (*Spud Energy*) believes that the approval of extension in the term of Sara and Suri leases will be granted in due course."
2. **Jura Energy Corp – Statement of Reserves Data and other Oil and Gas Information** as of December 31, 2022 (Information Published by Jura Energy as of May, 2023) – (Annex-2)

19 OCT 2023



- a. "The sale of gas from the Sara and Suri Leases to KGPL (*Konnect Gas*), an affiliate of Spud, being the sole bidder, was finalized..."
- b. "After completion of necessary field development work, commercial production from the Sara and Suri Leases commenced on **October 16, 2020**."
- c. "... OGDCL instructed the operator to suspend supply of gas to the buyer effective **March 1, 2021**."
- d. "The production from Sara and Suri Leases resumed on **January 25, 2022**."

3. **Jura Energy Corp – Website** as on October 19, 2023 (<https://www.juraenergy.com/our-assets/sara-suri.aspx>) – (Annex-3)

Working Interest %	Province	Award Date	Geological Basin	Area	Wells	Discovery Date	Buyer
60	Sindh	Sep 21, 2000	Lower Indus Basin	Sara ~ 82.72 Sq. km Suri ~ 23.82 Sq. km	Total Drilled ~ 06 Producing ~ 02 Shut-in ~ 02	Sara ~ 1994 Suri ~ 1997	Konnect Gas

4. **Jura Energy Corp – Publication: Commencement of Production from Sara and Suri Leases and Settlement of Debentures – (Annex-4)**

- a. "CALGARY, Alberta, **Oct. 13, 2020** -- Jura Energy Corporation ("Jura" or the "Company") announced today that commercial production has commenced from the Sara and Suri leases under a third party sale arrangement."
- b. "The gas production from the Sara and Suri leases is being sold to **Konnect Gas (Private) Limited ("KGL")** pursuant to the terms of a previously-announced Gas Sale and Purchase Agreement ("GSA") between Jura's wholly-owned subsidiary Spud Energy Pty Limited and KGL."

These self-admissions, including the most recent ones in May 2023, explicitly indicate that Spud Energy has been selling gas to its affiliate Konnect Gas, from 2020 until the present day and there is no denying this fact.

Furthermore, in its letter, Spud Energy claims full compliance with regulatory requirements with regard to gas sales to its affiliate Konnect Gas. However, vide OGRA's letter No. OGRA-6(1)-KGL/2019 dated September 08, 2023, it is clearly evident that Spud Energy's affiliate i.e., Konnect Gas, is not a licensee of OGRA (attached hereto as Annex-5). Whereby, Spud Energy has knowingly sold gas from the Sara Suri Leases to its affiliated entity, which has no regulatory approval and lacks the technical expertise required for safe management, procurement, transport, and resale of gas. This misconduct by the multiple criminal enterprises is direct abuse of the regulatory framework in pursuit of financial gains with complete disregard for laws, populace, and environment.

It is pertinent to note that Spud Energy's claim regarding the complete depletion of the fields may be a very recent development and the matter should be investigated by the authorities. Likewise, the submissions by the offender should not be taken at face value and the facts should be sought out through proper inquiry. This is of utmost significance because whether the operations have genuinely ceased or the reserves are genuinely depleted, there appears to be no intention or desire on the part of the seller to halt the illegal gas sales to Konnect Gas for any reason other than field depletion. This is deeply concerning because if the fields are still productive, Spud Energy's & Konnect Gas' actions could continue to exploit the reserves for their financial gain, with complete disregard for both the public and the environment, as done by them since 2020. In addition, it is likely that upon receiving the complaint, Spud Energy in an attempt to evade any regulatory repercussions has curtailed the gas from the Sara Suri Fields.

19 OCT 2023

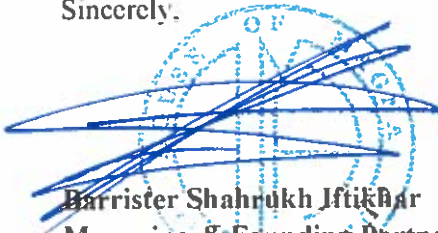


In conclusion, there is no dispute whatsoever about the illegal sale of gas by Spud Energy from the Sara Suri Leases to Konnect Gas, a non-licensee of OGRA. Furthermore, Jura Energy has acknowledged the periods during which these illegal sales occurred, and OGRA has confirmed that Konnect Gas lacks the necessary authorization for regulated activities.

Given the compelling evidence, there is no doubt that this constitutes a direct and blatant violation of regulatory frameworks by Spud Energy and Konnect Gas from 2020 onwards. The fact of the matter is not whether field depletion has led to a stop in the illegal sales or that Spud Energy is contemplating to surrender the leases after having fully exploited them for financial gains through illegal means, rather the core issue is the malpractices, disregard of regulatory frameworks, criminal conduct, and the endangerment of the populace and the environment. Moreover, labelling this complaint as a 'smear campaign' in the presence of concrete evidence is a futile attempt to cover corrupt operations.

Strong action must be taken against the offenders, including, but not limited to, public denunciation, blacklisting, imposing necessary penalties, and revoking their rights. We kindly request the Regulator to act in the best interests of law-abiding parties, the public, and the environment by ensuring that the offenders are reprimanded to prevent any potential recurrence.

Sincerely,


Barrister Shahrukh Iftikhar
Managing & Founding Partner
House of Magna Cum Laude

19 OCT 2020

Copy to:

Mr. Naeem Ghouri
Member Finance – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Zain-ul-Abideen
Member Oil/Gas – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Kashif Ali Abbasi
Director General Petroleum Concessions
3rd Floor, Petroleum House, Ataturk Avenue, Sector G-5/2
Islamabad

Advocate Daniyal Muzaffar
Transparency International
4-C, Mezzanine Floor, Khayaban-e-Ittehad, Phase 7, DHA,
Karachi



HOUSE OF MAGNA CUM LAUDE

Barristers & Masters at Law

24.10.2023

To,

Director General Petroleum Concessions,
Directorate General Petroleum Concessions,
Ministry of Energy (Petroleum Division),
Petroleum House, Ataturk Avenue,
Sector G-5/2, Islamabad

Subject: Complaint Regarding Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation – Spud Energy Pty Ltd, Frontier Holdings Ltd and Konnect Gas Pvt Ltd

Dear Sir,

We understand that Spud Energy (SEPL) has submitted its comments vide its letter dated October 20, 2023, in response to the notice it received under Rule 68 of the 1986 E&P Rules by the DGPC.

At the outset, SEPL relies on ECC Decision ECC/85/2015, which permits it to sell gas from the Sara Suri Fields to a third party under mutually agreed terms and conditions. It's important to note that the contents of the ECC decision are not in dispute. However, it's crucial to underscore that while the ECC decision grants SEPL the right to undertake third-party sales, it does not provide a carte blanche, allowing them to sell gas to any unlicensed third party, which is in direct contradiction to the fundamental principles of the regulatory frameworks.

Furthermore, SEPL conducted a bidding round for the third-party arrangement, which attracted only one bidder, Konnect Gas, an affiliate of SEPL. Following this, SEPL and Konnect Gas executed a Gas Sales Purchase Agreement (GSPA) between themselves, despite Konnect Gas never having been a licensee of the Oil and Gas Regulatory Authority (OGRA). OGRA explicitly affirmed this in its letters dated September 8, 2023 and October 6, 2023 (letters attached hereto under Annex-1 & Annex-2 respectively). Importantly, SEPL failed to disclose this information when submitting the executed GSPA to the Directorate General of Petroleum Concessions (DGPC).

Had SEPL and Konnect Gas not concealed this fact at the time of the GSPA, the transaction would not have been approved, irrespective of the permissions referenced in the ECC decision. It appears that SEPL and Konnect Gas have manipulated the ECC decision for their own financial gains.

Additionally, SEPL invokes OGRA's jurisdiction in response to the Rule 68 notice served by the Regulator. It's vital to acknowledge that these investigations into the alleged illegal gas sale have been initiated through OGRA's cooperation, supported by irrefutable evidence that contradicts the position taken by SEPL and Konnect Gas.



There is no longer any question or doubt regarding whether Konnect Gas has ever held a valid license. OGRA's letters explicitly confirm that Konnect Gas was never able to obtain a valid license.

Furthermore, SEPL's attempts to divert attention from its own malpractices in the face of compelling evidence are seen as futile. It's worth noting that SEPL, along with one of its affiliates, Frontier Holdings Limited, has a history of willful default, with both parties being held accountable for defaulting on PKR 1.13 billion in royalty to the Government of Pakistan. This pattern raises concerns that SEPL may be inclined to habitually exploit regulatory frameworks to its advantage.

Despite being given an opportunity to defend itself, SEPL has failed to provide substantial information in its defense. Instead, it has resorted to evasive tactics and misleading strategies by calling into question the actions of the Regulator and other industry stakeholders.

It is evident that the DGPC has exercised prudent judgment by issuing the notice after diligently waiting for and obtaining the necessary affirmations from OGRA. The notice is grounded in strong merit, as substantiated by the compelling evidence presented throughout the various correspondences on the subject matter. It is imperative that the matter be addressed firmly and judiciously. The upholding of regulatory standards and principles is paramount. If SEPL cannot provide any material information within the prescribed time window then the Regulator, in line with Rule 68 of the 1986 Rules, should revoke the lease holders right.

Sincerely,


Shahrukh Iffikhar
Barrister-at-Law
Advocate High Court
Managing & Founding Partner
House of Magna Cum Laude



Copy to:

Mr. Momin Agha
Secretary Petroleum
A-block, Pak Secretariat
Islamabad

Mr. Abrar Ahmed Mirza
Additional Secretary Petroleum (Policy)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Hassan Yousafzai
Additional Secretary Petroleum (Admin)
3rd Floor, A block Pak Secretariat
Islamabad

Capt (R) Shahbaz Tahir Nadeem
Joint Secretary (I/IV)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Kashif Ali Abbasi
Director General Petroleum Concessions
3rd Floor, Petroleum House, Ataturk Avenue, Sector G-5/2
Islamabad

Mr. Abdul Rasheed Jokhio
Director General Gas
Petroleum House, Ataturk Avenue, Sector G-5/2
Islamabad

Mr. Masroor Khan
Chairman OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Shahzad Iqbal
Senior Executive Director (Gas) – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Zain-ul-Abideen Qureshi
Member Gas - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Naeem Ghouri
Member Finance – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Ahmed Hayat Lak
Managing Director OGDCL,
OGDCL House, Plot No. 3, Jinnah Avenue, Blue Area,
Islamabad

Advocate Daniyal Muzaffar
Transparency International
4-C, Mezzanine Floor, Khayaban-e-Ittehad, Phase 7, DHA,
Karachi

OGRA-6(1)-KGL/2019

September 08, 2023

Barrister Shahrukh Iftikhar,
Managing & Founding Partner,
House of Magna Cum Laude,
H No. 12, Main Ataturk Avenue,
F-6/3, Islamabad

Annex-E

Subject: COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE BY
KONNECT GAS (PRIVATE) LIMITED A SUBSIDIARY OF JURA CORPORATION

Dear Sir,

اسلام آباد

Refer to your office letter No. nil dated 18-08-2023 received in OGRA office on 29-08-2023 on the subject noted above.

1. It is to inform that M/s Konnect Gas (Pvt.) Ltd had applied for grant of license for Sale of Flare Gas from (Sara and Suri Gas Field) on 09-04-2019 which was evaluated by the concerned departments of OGRA and found certain deficiencies in requisite documentations required under the applicable provisions of Natural Gas Regulatory (Licensing) Rules, 2002.

2. Upon constant failure in submission of the requisite data/information by the applicant for 2 ½ years the Authority considered the matter and rejected the application of M/s Konnect Gas (Pvt.) Ltd on 15-04-2022, therefore, M/s Konnect Gas (Pvt.) Ltd is not a Licensee of OGRA to undertake any regulated activities, please.

Best Regards

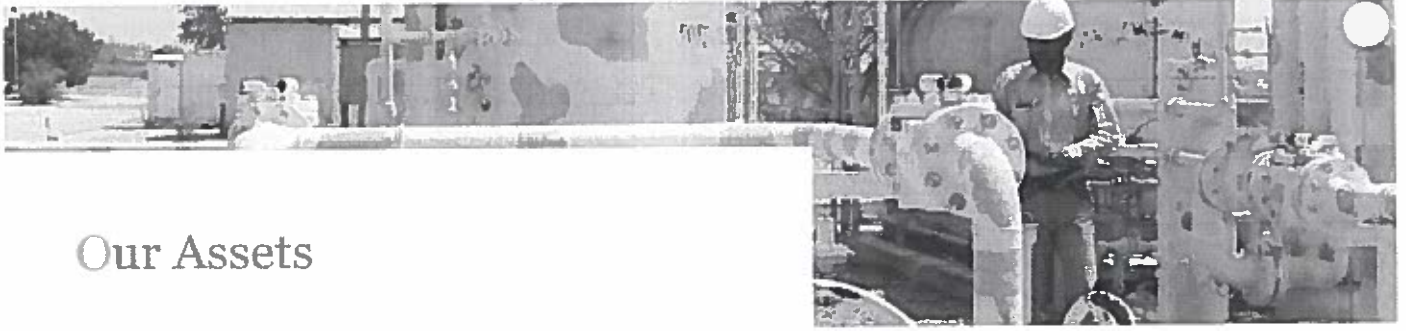
(Dr. Abdul Basit Qureshi)
Senior Registrar
(For & on behalf of the Authority)



25 OCT 2023

54-B, Fazal ul Haq Road, Blue Area, Islamabad. PABX: +92 51 9244090-98, Fax: +92 51 9244310
+92 51 9244310: فیکس +92 51 9244090-98: فون اسلام آباد

'Annex-3'
Annex-F



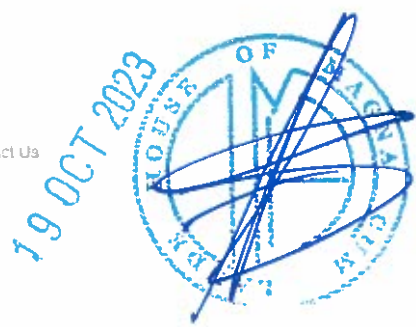
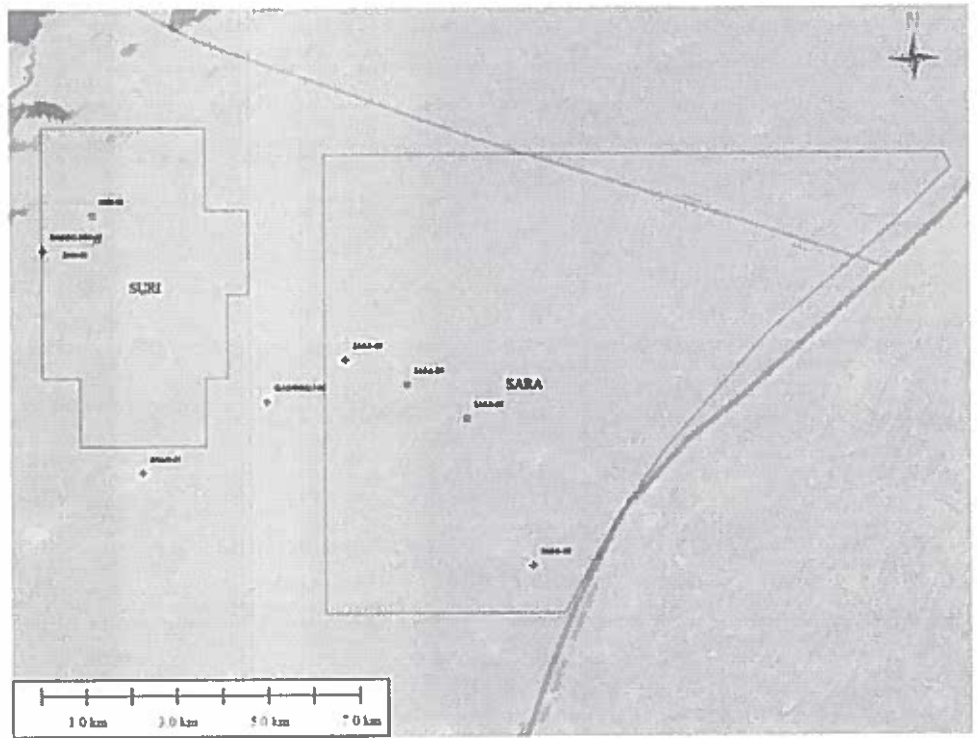
Our Assets

- [Summary](#)
- [Badin IV North](#)
- [Badin IV South](#)
- [Guddu](#)
- [Kandra Exploration](#)
- [Narell](#)
- [Sara Suri](#)
- [Zamzama North](#)
- [Zarghun South](#)

Home Our Assets **Sara Suri**

Sara Suri – Production

Working Interest %	Province	Award Date	Geological Basin	Area	Wells	Discovery Date	Buyer
60	Sindh	Sep 21, 2000	Lower Indus Basin	Sara ~ 82.72 Sq. km Suri ~ 23.82 Sq. km	Total Drilled ~ 06 Producing ~ 02 Shut-in ~ 02	Sara ~ 1994 Suri ~ 1997	Konnect Gas



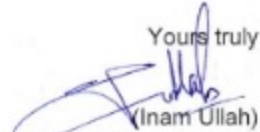
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Petroleum Concession
3rd Floor, Petroleum House, G-5/2, Islamabad

Subject: **Compliant against M/s SPUD Energy and M/s Frontier Holding Companies wilfully defaulting of their obligations to pay outstanding royalty 12.5% amounting approx. PKR. 1.13 billion on the sale of natural gas/crude oil from Reti Maru Field, Badin IV South Block and Zarghun Field.**

Reference Prime Minister's office U.O No 4(5)/Misc/DS (EA-I)/2022/83 dated 03-02-2023 on the subject cited above.

2. Royalty amounting to Rs 1.025 billion has been deducted by M/s Sui Southern Gas Company Limited (SSGCL) from the sales invoices of the defaulting companies, M/s Spud energy and M/s Frontier Holding Company, and the same has been deposited into the Government treasury by M/s SSGCL, (Copies of challans are attached).

Yours truly



(Inam Ullah)

Deputy Director (Concessions)
for Director General (Petroleum Concession)

Muhammad Shahid Dayo DS(EA-I), Prime Minister's Office, Islamabad
DGPC U.O No. Expl-7(3) (Spud-TIP)/2023 Dated 14th February, 2023.

(Treasury Rules)

Chain of payment has to be:

Chain No.
 Treasury/Sub - Treasury
 National Bank of Pakistan
 State Bank of Pakistan

To be filled in by the member		To be filled in by the Departmental Officer of the Treasury	
By whom Received	Name (or designation) and Address of the person on whose behalf money is sent	Full particulars of the remittance and of authority (if any)	Amount
Spud Energy Pty Limited 3rd Floor, 22 East, Bored Place, British Avenue, Blue Area, Islamabad Email: info@spudenergy.com, Tel: 001 227 0702-0	DIRECTOR GENERAL OF PETROLEUM CONCESSION DEPT OF PETROLEUM & ENERGY M/O PETROLEUM & N.R, ISLAMABAD	Field and first payment of Zarghan South Gas (due assessment monthly collection upto December 31, 2012)	PKR 786,158,707
0 - Non Tax Receipts 003 - Miscellaneous Receipts 009 - Development Surcharge & Royalties 00905 - Royalty on Oil 00908 - Royalty on Natural Gas		Head of Account Order to the bank Signature and full designation of the officer ordering the money to be paid	

Revised/Amendment (in words) shown hereunder right for addition only headed (By) and for deletion shown hereunder shown only

Treasurer Accountant Date

Treasurer/ Officer Agent

National Bank of Pakistan
 NBP Code: 300000000000000000
 01 FEB 2013
 TRANSFEER

[Signature]

(Treasury Rules)

Creation of payment this time:

Chalan No.
 Treasury/Sud - Treasury
 National Bank of Pakistan
 State Bank of Pakistan

To be filled in by the member		To be filled in by the Director/Chief Officer of the Treasury	
By Whom Transferred	Name (for designation) and Address of the person or persons authorized to pay	Full particulars of the remittance and of authority if any	Account
FRONTIER HOLDINGS LIMITED 3rd Floor, 22 East, Dated Plaza, Jinnah Avenue, Blue Area, Islamabad Email: info@fpenergy.com, Tel: 051 227 0700-6	DIRECTOR GENERAL OF PETROLEUM CONCESSION DEPT OF PETROLEUM & ENERGY MO PETROLEUM & N.R, ISLAMABAD	Full and final payment of State / Non Tax Gas field surrendering royalty obligation upto December 31, 2022	PPR 216 315/22
Treasurer	Accountant	Date	Treasury Officer Agent
Received Payment (in words): Two Hundred and Sixty Nine Thousand Five Hundred Twenty Two only		C - Non Tax Receipts C03 - Miscellaneous Receipts C036 - Development Surcharge & Royalties C0305 - Royalty on Oil C0306 - Royalty on Natural Gas	Order to the bank
[Signature and full designation of the officer sending the account to the bank]			
To be used only in the case of remittance to the bank through Director/Chief Officer to the Treasury Officer			

01 FEB 2023
 National Bank of Pakistan
 TRANSFER